

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7583

BILL NUMBER: HB 1618

NOTE PREPARED: Feb 19, 2009

BILL AMENDED: Feb 19, 2009

SUBJECT: Secretary of State Political Activity.

FIRST AUTHOR: Rep. Pierce

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill prohibits an individual who holds the Office of Secretary of State from:

- (1) serving in an official or unofficial capacity:
 - (A) in the campaign of a candidate for an elected office; or
 - (B) for a person who makes disbursements for the direct costs of producing or airing a communication that expressly advocates the election or defeat of a clearly identifiable candidate;
- (2) endorsing a candidate for an elected office;
- (3) conducting fundraising activities for a candidate for an elected office; or
- (4) soliciting contributions for or contributing to the campaign of a candidate for an elected office.

The bill exempts from the prohibition a campaign in which the individual who holds the Office of Secretary of State is the candidate. It also provides that the prohibition does not restrict the Secretary of State from appearing or attending at or participating in a convention or other function sponsored by a national, state, or local political party.

The bill authorizes the Attorney General to enforce the prohibition, and establishes a civil penalty equal to the greater of: (1) two times the amount of any contribution made or received; or (2) \$5,000.

Effective Date: July 1, 2009.

Explanation of State Expenditures: The bill could increase costs for the Attorney General to receive

complaints, investigate, and, with reasonable cause, file a civil action to recover the civil penalty. It is expected that these duties will be within the current level of resources of the Attorney General's office.

Explanation of State Revenues: *Civil Penalty:* The bill provides that an individual who violates these campaign prohibitions is subject to a civil penalty equal to the greater of twice the amount of any contributions made or received or \$5,000. The bill requires these civil penalties to be deposited in the Campaign Finance Enforcement Account of the state General Fund.

Background: The Campaign Finance Enforcement Account is administered by the Election Division for the purposes of administering IC 3-9 (concerning campaigns) and creating and operating a campaign finance computer system (authorized under IC 3-9-4-4). The statute requires the computer system to enable the Division to identify all contributions made and received over at least the previous three years.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Attorney General; Secretary of State.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Karen Firestone, 317-234-2106.